

Evaluation Paper

Biogas Program of Việt Nam Plus

Zurich, 8th of June 2009

Background

Việt Nam Plus, a Vietnam based non-governmental organization working in the field of social and environmental development in rural Vietnam, has been conducting biogas projects and programs for several years. Hundreds or even thousands of farmers in South Vietnam have been benefiting from offered financial and technical support.

The activities of Việt Nam Plus are enabled only by private finance. As new financial mechanisms have arisen in the last couple of years, mainly in the course of the global climate discussion, Bernard Kervyn contacted myclimate for an assessment of the potential of funding the program by selling carbon credits in the voluntary offset market.

myclimate started a comprehensive assessment of the project and its potential as a carbon offset project in the myclimate portfolio. As part of the myclimate due diligence and project evaluation procedure Thomas Finsterwald, project manager with myclimate, visited the region in September 2008, met Bernard Kervyn and part of his team and, by visiting several farmers and installed biogas plants, gained insight in the farmer's situation and possible benefits from the project.

This paper is a summary of the evaluation's results.

Project assessment

The project activity is the installation and the financial support of biogas plants for farmers. Through the usage of biogas as cooking fuel and for lighting purposes fossil fuel and non-renewable biomass can be substituted and emission reductions are achieved.

Việt Nam Plus pursues a very community based strategy with the aim to include the locals in the project planning and implementation. In contrast to other non-governmental organizations and development assistance institutions, which are mainly based in Ho Chi Minh City or in Hanoi and coordinate their programs from these big cities, Việt Nam Plus focus on decentralized employees and partners working and living in the remote villages. Sustainable solutions for the people's problems and for environmental dangers must be worked out together with the local people.

Việt Nam Plus is experienced in conducting environmental and social programs and provides a formidable network of volunteers, employees and partners, which can guarantee an appropriate implementation and monitoring, even if a rather complicated monitoring plan (for example according to the Gold Standard biogas methodology) is established and used.

The technology is very simple and the needed material is available in Vietnam. The costs are, compared to other technical solutions, very low so that they are affordable for most of the addressed farmers. Years of experience have shown that the technology lifetime is usually more than five years and that the return on investment can be hundred percent within one year or even less. Nevertheless, there are some decisive and obvious barriers, which prevent the farmers from investing in these plants, for instance their lack of knowhow. These barriers make it inevitable to have an additional external financial support to launch such a program.

The impacts of the project activity regarding sustainable development were found positive insofar such an assessment was possible during the visit and the discussions. The project could probably developed according to the requirements of the Gold Standard.

A big challenge for the project will be the size in terms of achieved emission reductions. A program for generating tradable carbon credits must involve thousands of plants in order to achieve enough emission reductions to overcome the high transaction costs for the external validation of the project and the certification of the credits. This makes an enormous organizational and also financial effort inevitable. In addition, there are several other criteria, which could lead to a reduction of emission reductions such as the market price for pork, which influences the livestock.

But even if the program were too small for a carbon credits project (for example a CDM project) it should be supported by other mechanisms, such as private funds. It is a valuable, cost-effective and sustainable measure for the people and the environment.

Info concerning myclimate

The non-profit organization myclimate enables innovative solutions in climate protection and supports the renewable energies and energy efficient technologies. The international initiative with Swiss roots was founded in 2002 and is one of the leading suppliers of voluntary carbon offset worldwide. myclimate is internationally known as premium quality offset provider and the management quality of myclimate is rated among the top 5 in several international studies.

myclimate has been developing and implementing carbon offset projects since 2002 and currently manages over 30 CER, JI and VER projects in its portfolio. For this purpose myclimate has continuously improved its project management and defined processes for project management including a due diligence and risk assessment approach.

The projects are located in developing and emerging countries as well as in Europe and New Zealand. myclimate's funding makes it possible to use renewable energies and energy efficient technologies instead of inefficient fossil fuel technology. By this, emissions are reduced in a sustainable and measurable way and the projects contribute to global climate protection, as for the UN Millennium goals.

Most of our international projects are or will be certified by the Gold Standard.

At the implementation stage of its carbon offsetting projects, myclimate cooperates closely with experienced partners in the respective countries. These partners ensure locally that the projects are professionally implemented and verify them regularly on its performance.

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